

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA	:	
	:	
v.	:	1:19CR546-1
	:	
REBECCA MARIE ADAMS	:	

FACTUAL BASIS

NOW COMES the United States of America, by and through Matthew G.T. Martin, United States Attorney for the Middle District of North Carolina, and states the following as a factual basis under Rule 11 of the Federal Rules of Criminal Procedure:

A & R Staffing Solutions, Inc. (hereinafter “A & R”), formed under the laws of the State of North Carolina on or about September 16, 2002, was a temporary staffing agency located in Greensboro, North Carolina, in the Middle District of North Carolina. REBECCA MARIE ADAMS owned and operated A & R. On or about November 2, 2011, REBECCA MARIE ADAMS executed a document purporting to transfer the book of business to her daughter, Elizabeth Wood, effective February 27, 2012. The temporary staffing business would operate under a new entity, Wood Executive Services, Inc. (hereinafter “WES”), which was formed under the laws of North Carolina on or about November 2, 2011. Although operating under a separate legal

entity, the staffing business was for all intents and purposes the same business.

On or about March 5, 2014, Adams Staffing Enterprises, Inc. (hereinafter “ASE”), was formed under the laws of North Carolina. Sometime during the second quarter of 2014, WES ceased operations and began operating under this new legal entity, ASE. Again, despite the legal entity change, the business remained a temporary staffing business serving the same clientele.

The staffing business was at all times required by law to withhold, report, and pay over employment taxes to the Internal Revenue Service (hereinafter “IRS”) on the amount of wages the company paid to its employees. At the same time, the staffing business was required to pay over to the IRS its own shares of FICA taxes. The staffing business was required to report employment taxes to the IRS on a quarterly basis on an IRS Form 941 (Employer’s Quarterly Federal Tax Return). This form is required to be filed one month after the conclusion of each quarter. The staffing business was required to pay over employment taxes to the IRS in full by the due date of the Form 941.

During the second quarter of 2015, Elizabeth Wood began serving a criminal sentence in North Carolina. At this time, REBECCA MARIE ADAMS held primary responsibility for managing the expenditures and obligations of the staffing business. The quarter ended on June 30, 2015, and the quarterly

Form 941 was due on July 31, 2015. REBECCA MARIE ADAMS failed to file a quarterly payroll tax return for ASE for the quarter ending June 30, 2015. Additionally, REBECCA MARIE ADAMS did not pay over payroll taxes, either the employee or employer portions, despite withholding taxes from the employees. REBECCA MARIE ADAMS willfully failed to account for and pay over payroll tax for ASE, in violation of Title 26, United States Code, Section 7202. She was a responsible person for ASE and therefore had a duty to withhold, account for, and pay over payroll tax.

This, the 30th day of January, 2020.

Respectfully submitted,

MATTHEW G.T. MARTIN
United States Attorney

RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General
Tax Division
Criminal Enforcement Section

/S/ FRANK J. CHUT, JR
Assistant United States Attorney

/S/ KEVIN SCHNEIDER
Trial Attorney
U.S. Department of Justice, Tax Division

CERTIFICATE OF SERVICE

I hereby certify that on January 30, 2020, the foregoing was electronically filed with the Clerk of Court using the CM/ECF system, which will send notification to all attorneys of record.

Respectfully submitted,

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